

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

USTR PRESS RELEASES ARE AVAILABLE ON THE USTR WEBSITE AT WWW.USTR.GOV.

**FOR IMMEDIATE RELEASE:
SEPTEMBER 20, 2002**

**02-88
CONTACT: RICHARD MILLS
(202) 395-3230**

U.S. and Other Trade Partners Present Positions and Proposals to Prevent Unauthorized Use of Geographic Names

WASHINGTON - During World Trade Organization (WTO) negotiations today, the United States joined other trade partners in proposing a voluntary notification system to further facilitate existing protections for geographic names for wines and spirits, such as wine from California's Napa Valley, from unauthorized use. In separate discussions earlier this week on rules to protect geographic indications for other products, the United States joined Argentina, Australia, Canada, Guatemala, and other trade partners in affirming that current trade rules provide adequate rights and effective protections for property owners.

"I'm pleased that so many other key WTO Members have joined us in this proposal to facilitate existing protection for geographic names for wines and spirits with an efficient and flexible system," U.S. Trade Representative Robert B. Zoellick said. "Like copyrights, patents, and trademarks, geographic indications play an important role in protecting distinctive and specialized wine and spirits products and ensure that consumers have consistent quality."

Geographic names or "indications" (GIs) are considered intellectual property, like trademarks, and their unauthorized use is currently prohibited. Global trade rules (Trade Related Aspects of Intellectual Property, or the TRIPS Agreement) provide for two types of geographic indications, one for wines and spirits, and one for other all other types of GIs. The Doha Development Agenda (the current series of ongoing multilateral trade negotiations) requires negotiations on a notification system for geographic indications for wines and spirits to be completed by September 2003.

With respect to the separate discussions earlier in the week, Zoellick said, "For GIs other than wines and spirits, the Doha mandate does not call for negotiations. We believe the current system works well, and we share the concerns of many in the developing world that we don't need to burden everyone with a large and costly new framework, as some have suggested."

Joint Proposal on GIs for wine and spirits:

The joint proposal for wines and spirits builds on the strengths of the international framework

that currently protects such terms, and, if adopted, would fulfill the mandate of the Doha Development Agenda set by WTO Ministers last November to establish improvements and complete negotiations by September, 2003. Joining the United States were Argentina, Australia, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, the Philippines, and Taiwan.

Some WTO Members, such as the European Union, have made an alternative proposal which may greatly burden the multilateral trading system by expanding international bureaucracies and imposing complicated procedures.

“The developing world played a key role in making Doha a success and making their priorities everyone’s priorities. The developing world is concerned about the over-expansion of global trade rules that will burden them with excessive red tape,” added Zoellick. “The United States and many WTO Members, including those in the developing world, believe the current system can be improved without creating a massively bureaucratic, expensive, and inefficient system, and our proposal reflects that approach.”

The joint proposal on wines and spirits has the following elements:

- Provides a non-burdensome, low-cost, and effective system for notification, and protection of the geographical indications for wines and spirits that are recognized in the national systems of individual WTO Members. Members would notify their respective registered or recognized geographic indications to the WTO, which would provide all other WTO Members with a complete compilation of GIs.
- Facilitates the existing protection for wine and spirit geographical indications under TRIPS without imposing new substantive obligations on Members. This is in contrast to proposals tabled by other Members which would impose new obligations and would prejudice existing rights provided by the Agreement. In the U.S.-supported proposal, consistent with intellectual property/trademark regimes, the burden of enforcement would remain on the right holder, not on governments.
- Recognizes the special needs of certain developing and least developed countries. The proposed system is consistent with the TRIPS Agreement, is voluntary and will only place obligations on those Members choosing to participate in the system.
- Maintains the WTO’s commitment to full transparency, by making the information generated by the system available to all Members.
- Follows the clear mandate of the TRIPS Agreement which stipulates that WTO Members are free to determine their own appropriate method of implementing the Agreement within their own legal system, the proposal does not require WTO Members to change their domestic systems for protection of geographical indications.

The European Community and Hungary have also made proposals. However, in contrast to the proposal led by the United States, these proposals would impose new obligations on all

Members, even those that would prefer not to be involved in the system, would require Members to analyze and raise objections to hundreds of wine and spirit names within an 18-month period or be required to protect these terms, and would take away existing flexibility under the Agreement allowing the long-standing use of common names.

These proposals demonstrate further the United States' leadership and cooperation within the WTO on the issue of geographical indications. In 1999, Canada, Chile, Japan and the United States tabled the first proposal for a notification and registration system that complied with the TRIPS Agreement mandate in Article 23.4. The proposal announced today reflects comments made by a number of Members to improve the structure of the 1999 text, but the fundamental elements of the 1999 proposal are maintained.

Ministers, in paragraph 18 of the Doha Ministerial Declaration, directed the TRIPS Council to complete, by the Fifth Ministerial Conference, the negotiations ongoing in the TRIPS Council pursuant to Article 23.4, on the establishment of a multilateral system of notification and registration for geographical indications for wines and spirits. Article 23.4 states: *"In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system."*

U.S. supported joint paper for GI's other than wines and spirits:

Some WTO Members are proposing to alter international standards on GIs for products other than wine or spirits. These proposals may impose significant new costs on WTO Members, especially developing and least developed Members, which will far outweigh any potential benefits.

"Geographic terms are an important part of the intellectual property system and are often a key part of a product's value. The current global trade framework utilizes the domestic laws of individual WTO Members and provides efficient and effective protection for geographic terms," said Zoellick. "The United States and other WTO Members strongly believe that before Members advocate burdening developing and least-developed Members with excessive new obligations, they should first strive to fully realize the existing protections available under global trade rules."

"We need to make sure that we maintain the right balance - protecting against unauthorized use of geographic terms, without upsetting the current efficient and non-burdensome system," Zoellick added.

Joining the United States and Guatemala in the paper were Argentina, Australia, Canada, Chile, the Dominican Republic, El Salvador, Guatemala, New Zealand, Paraguay, the Philippines, and Taiwan.

Some proposals from other WTO Members could result in developing nations having to fund and operate large regulatory systems to protect global GIs for products other than wine or spirits, mostly from the developed world, in exchange for supposed added protection for relatively few names of interest for developing Members.

The joint paper submitted Wednesday in the WTO TRIPS Council identifies numerous reasons why additional protection for geographical indications for products is unnecessary given the strong protection already provided to geographical indications for these products under TRIPS. The joint paper also details how the costs associated with increasing protection would far outweigh the benefits, particularly for developing and least-developed countries.

In the United States, geographical indications such as “Stilton” for cheese, “Parma” for ham, and “Roquefort” for cheese, already receive TRIPS protection as “certification marks” administered under U.S. trademark law. The owners of these GIs have successfully used this protection to prevent unauthorized uses of their GIs in the U.S.

Thus, the French GI “Roquefort,” which identifies an indigenous cheese from France, can be asserted to prevent unauthorized use of the term “Roquefort” (or a similar term) for any cheese - or related product - that falsely suggests a connection to the “Roquefort” cheese from France.

Unfortunately, not all WTO Members have implemented the level of protection provided under the TRIPS Agreement, including some of the Members (such as the European Union) that are demanding new negotiations to increase protection. Implementing the existing protection available under the Agreement would not only ensures protection for the geographical indications used by their own producers but also the geographical indications of other WTO Members.

Both the joint proposal on GIs for wine and spirits, and the joint paper for GIs other than wines and spirits are available on the USTR website, www.ustr.gov.

#